

The State of Independent Urology

Gary M. Kirsh, MD

President, LUGPA; The Urology Group, Cincinnati, OH

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The past year proved to be pivotal for LUGPA and independent urology practices. It was a year of monumental legislative and regulatory achievement in advancing value-based payments, neutralizing hospitals' longstanding economic incentive to grow at the expense of independent medicine, and stabilizing radiation therapy services for Medicare patients.

Over the summer of 2015, LUGPA coordinated its grassroots and political resources with the larger urology and medical community, which resulted in Congress passing the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). The media narrative on MACRA centered on its repeal of the Sustainable Growth Rate (SGR) formula. As important as it was to move away from the outmoded SGR reimbursement model, the equally significant long-term impact of MACRA for independent urology is the mandate that providers participate in Alternative Payment Models (APMs), which represent wholly new payment systems in which each physician practice may take on financial risk for managing the care of a patient or population.

As you know, value-based medicine and APMs are still in their infancy. Accountable Care Organizations, which were legislatively created in the Patient Protection and Affordable Care Act, are the most mature of the risk-sharing and care coordination payment models. However, these Centers for Medicare & Medicaid Services (CMS) programs (Medicare Shared Savings, Pioneer, and Next Generation) are geared toward primary care physicians. Historically, APMs have lagged in their inclusion of specialty physicians.

With MACRA in place, urologists will now need urology-specific APMs in which to participate. Without these, urologists will be at a financial disadvantage in the future in that there will be potential financial penalties for lack of APM participation; moreover, lack of participation will deprive practices of the opportunity to grow revenues through these innovative reimbursement models and risk sharing.

Accordingly, an important evolving focus of LUGPA will be to facilitate and assist in the development of APMs that can be utilized by integrated urology practices. Independent and integrated practices are well positioned to help develop APMs due to our experience providing coordinated and cost-effective care to our patients. LUGPA is in the early stages of a multipronged approach to investigate and develop APMs in cooperation with other medical societies, academia, and industry partners. Going forward, it is critical that the urologic community work in concert to actively engage CMS in the rulemaking process as it implements the landmark MACRA legislation.

In any other year, the passage of MACRA alone would have been more than enough to celebrate. But in the last months of 2015 I witnessed perhaps the most impressive string of regulatory and legislative victories I have ever seen for independent urology.

Each summer CMS proposes changes to various fee schedules, including the Medicare Physician Fee Schedule and the Outpatient Prospective Payment System. The changes proposed in July 2015 were particularly onerous; if not averted by the time CMS

announced the final fee schedules in late October, they would have resulted in significant reimbursement cuts for radiation therapy, lithotripsy, and GreenLight™ laser (American Medical Systems, Minnetonka, MN). Through a coordinated effort, which included formal comment letters to CMS and grassroots political activity (including generating a letter signed by hundreds of members of Congress from both parties objecting to the radiation cuts), LUGPA and its allies were able to persuade CMS to back away from most of these cuts. In fact, lithotripsy performed in ambulatory surgery centers (ASCs) will see an increase in reimbursement.

The Bipartisan Budget Act of 2015 was also passed in late October, the final budget legislation of the year. Although the focus of the legislation was funding the government, the Act contained “site of service” language that goes a long way toward leveling the playing field between hospitals and independent practice. Hospital-employed physicians have been reimbursed significantly more than independent physicians for performing precisely the same services. This payment disparity

creates an imbalance in the market that has unfortunately forced many of the nation’s independent practitioners to sell their practices to hospitals.

Under the Bipartisan Budget Act, physician practices or ASCs acquired by a hospital system that are more than 250 yards beyond the hospital campus will not be paid at a premium and will be reimbursed under the physician fee schedule or ASC rate just as independent physicians and their facilities are (physician practices and facilities acquired prior to the legislation will continue to be able to bill at the higher hospital rates). LUGPA believes that this law will be a significant factor in slowing the appetite of health care systems for physician practice acquisition, and, as such, should go a long way toward stabilizing the independent urology marketplace.

LUGPA’s crowning 2015 policy achievement came on December 18 with enactment of the Patient Access and Medicare Protection Act of 2015. LUGPA played a central role in securing passage of this legislation, through which Congress essentially acknowledges that the yearly attacks by CMS on radiation therapy reimbursement has led to

inappropriate uncertainty in the provider community, which potentially threatens the public’s access to cancer care. The Act effectively freezes radiation reimbursement at current levels for approximately 2 years. This will provide those of us in the cancer care community predictable reimbursement while we develop alternative payment bundles for radiation services in collaboration with CMS (as required by the law) over the upcoming months.

We in the independent urology community have been “playing defense” in Congress for the past several years. As someone who has been involved in health policy advocacy for more than 20 years, I have never witnessed the passage of more affirmative legislation that has the effect of promoting the interests of independent urologists and their patients than we saw in 2015. This is a validation of LUGPA’s extensive efforts on the political and policy fronts over the past several years. I am more confident than ever that independent urology has an exciting, robust, and secure future.

Wishing you much success over the course of 2016 and beyond. ■